

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 908\*  
Committee Substitute Favorable 5/9/91  
Committee Substitute #2 Favorable 6/5/91

Short Title: Rural Elec. Auth. Fee.

(Public)

Sponsors:

Referred to:

April 18, 1991

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH REGULATORY FEES FOR ELECTRIC MEMBERSHIP CORPORATIONS AND TELEPHONE MEMBERSHIP CORPORATIONS TO DEFRAY THE COST TO THE NORTH CAROLINA RURAL ELECTRIFICATION AUTHORITY OF REGULATING MEMBERSHIP CORPORATIONS IN THE INTEREST OF THE PUBLIC.

The General Assembly of North Carolina enacts:

Section 1. Article 1 of Chapter 117 of the General Statutes is amended by adding a new section to read:

**"§ 117-3.1. Regulatory fee.**

(a) Fee Imposed. It is the policy of the State of North Carolina to provide fair regulation of electric and telephone membership corporations in the interest of the public. The cost of regulating electric and telephone membership corporations is a burden incident to the privilege of operating as an electric or telephone membership corporation. Therefore, for the purpose of defraying the cost of regulating electric and telephone membership corporations, every electric and telephone membership corporation subject to the jurisdiction of the Authority shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Authority in regulating electric and telephone membership corporations in the interest of the public.

(b) Rate.

1           1.     For the 1991-92 fiscal year, the regulatory fee shall be three and three-  
2           fourths cents (3 3/4¢) for each electric membership corporation's North  
3           Carolina meter connected for service for that quarter and three and  
4           three-fourths cents (3 3/4¢) for each telephone membership  
5           corporation's North Carolina access line connected for service for that  
6           quarter.

7           2.     For fiscal years beginning on or after July 1, 1992, the regulatory fee  
8           shall be that established by the General Assembly for each electric  
9           membership corporation's North Carolina meter connected for service  
10          and each telephone membership corporation's North Carolina access  
11          line connected for service for each quarter.

12           When the Authority prepares its budget request for the upcoming  
13          fiscal year, the Authority shall propose a rate for the regulatory fee.  
14          For fiscal years beginning in an odd-numbered year, that proposed rate  
15          shall be included in the budget message the Governor submits to the  
16          General Assembly pursuant to G.S. 143-11. For fiscal years beginning  
17          in an even-numbered year, that proposed rate shall be included in a  
18          special budget message the Governor shall submit to the General  
19          Assembly. The General Assembly shall set the regulatory fee by law.

20          The regulatory fee may not exceed the amount necessary to  
21          generate funds sufficient to defray the estimated cost of the operations  
22          of the Authority for the upcoming fiscal year, including a reasonable  
23          margin for a reserve fund. The amount of the reserve may not exceed  
24          the estimated cost of operating the Authority for the upcoming fiscal  
25          year. In calculating the amount of the reserve, the General Assembly  
26          shall consider all relevant factors that may affect the cost of operating  
27          the Authority or a possible unanticipated increase or decrease in North  
28          Carolina electric meters and North Carolina telephone access lines.

29          (c)     When Due. The regulatory fee imposed under this section is due and payable  
30          to the Authority on or before the 15th day of the second month following the end of  
31          each quarter. Every electric and telephone membership corporation subject to the  
32          regulatory fee shall, on or before the date the fee is due for each quarter, prepare and  
33          render a report on a form prescribed by the Authority. The report shall state the electric  
34          or telephone membership corporation's total North Carolina electric meters or North  
35          Carolina telephone access lines connected for service for the preceding quarter and shall  
36          be accompanied by any supporting documentation that the Authority may by rule  
37          require.

38          (d)     Use of Proceeds. A special fund in the office of the State Treasurer, the  
39          North Carolina Rural Electrification Authority Fund (NCREA Fund), is created. The  
40          fees collected pursuant to this section and all other funds received by the Authority shall  
41          be deposited in the NCREA Fund. The NCREA Fund shall be placed in an interest  
42          bearing account and any interest or other income derived from the NCREA Fund shall  
43          be credited to the NCREA Fund. Moneys in the NCREA Fund shall only be spent  
44          pursuant to an appropriation by the General Assembly.

1        The NCREA Fund shall be subject to the provisions of the Executive Budget Act  
2 except that no unexpended surplus of the NCREA Fund shall revert to the General  
3 Fund. All funds credited to the NCREA Fund shall be used only to pay the expenses of  
4 the Authority in regulating electric and telephone membership corporations in the  
5 interest of the public as provided by this Chapter."

6            Sec. 2. Nothing herein contained shall be construed to obligate the General  
7 Assembly to appropriate funds to implement the provisions of this act.

8            Sec. 3. This act becomes effective July 1, 1991, and shall apply to electric  
9 and telephone membership corporation North Carolina meters and access lines  
10 connected for service on or after that date.